

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 192(RES), Draft Version "B"

Page 1, line 1:

Delete "**oil and gas production tax**"

Insert "**tax rates applicable to oil and gas production when the average production tax value for a BTU equivalent barrel of oil and gas is more than \$30**"

Page 1, line 3, through page 2, line 6:

Delete all material and insert:

**** Section 1.** AS 43.55.011(g) is repealed and reenacted to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2) for each BTU equivalent barrel of the taxable oil and gas is more than \$30, the amount of tax for purposes of (e)(2) of this section is determined by multiplying the monthly production tax value of the taxable oil and gas produced during the month by the following tax rates, as applicable:

(1) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is not more than \$42.50, the tax rate is 2.5 percent of the difference between that average monthly production tax value of a BTU equivalent barrel and \$30;

(2) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$42.50 but not more than \$55, the tax rates are

(A) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30; and

1 (B) 7.5 percent of the monthly production tax value for each
2 BTU equivalent barrel that is greater than \$42.50;

3 (3) if the producer's average monthly production tax value of a BTU
4 equivalent barrel of the taxable oil and gas for the month is more than \$55 but not
5 more than \$67.50, the tax rates are

6 (A) 2.5 percent on the first \$12.50 of monthly production tax
7 value for each BTU equivalent barrel that is greater than \$30;

8 (B) 7.5 percent of the next higher \$12.50 of monthly
9 production tax value for each BTU equivalent barrel; and

10 (C) 12.5 percent of the monthly production tax value for each
11 BTU equivalent barrel that is greater than \$55;

12 (4) if the producer's average monthly production tax value of a BTU
13 equivalent barrel of the taxable oil and gas for the month is more than \$67.50 but not
14 more than \$80, the tax rates are

15 (A) 2.5 percent on the first \$12.50 of monthly production tax
16 value for each BTU equivalent barrel that is greater than \$30;

17 (B) 7.5 percent of the next higher \$12.50 of monthly
18 production tax value for each BTU equivalent barrel;

19 (C) 12.5 percent of the next higher \$12.50 of monthly
20 production tax value for each BTU equivalent barrel;

21 (D) 17.5 percent of the monthly production tax value for each
22 BTU equivalent barrel that is greater than \$67.50;

23 (5) if the producer's average monthly production tax value of a BTU
24 equivalent barrel of the taxable oil and gas for the month is more than \$80 but not
25 more than \$92.50, the tax rates are

26 (A) 2.5 percent on the first \$12.50 of monthly production tax
27 value for each BTU equivalent barrel that is greater than \$30;

28 (B) 7.5 percent of the next higher \$12.50 of monthly
29 production tax value for each BTU equivalent barrel;

30 (C) 12.5 percent of the next higher \$12.50 of monthly
31 production tax value for each BTU equivalent barrel;

1 (D) 17.5 percent of the next higher \$12.50 of monthly
2 production tax value for each BTU equivalent barrel; and

3 (E) 22.5 percent of the monthly production tax value for each
4 BTU equivalent barrel that is greater than \$80;

5 (6) if the producer's average monthly production tax value of a BTU
6 equivalent barrel of the taxable oil and gas for the month is more than \$92.50 but not
7 more than \$105, the tax rates are

8 (A) 2.5 percent on the first \$12.50 of monthly production tax
9 value for each BTU equivalent barrel that is greater than \$30;

10 (B) 7.5 percent of the next higher \$12.50 of monthly
11 production tax value for each BTU equivalent barrel;

12 (C) 12.5 percent of the next higher \$12.50 of monthly
13 production tax value for each BTU equivalent barrel;

14 (D) 17.5 percent of the next higher \$12.50 of monthly
15 production tax value for each BTU equivalent barrel;

16 (E) 22.5 percent of the next higher \$12.50 of monthly
17 production tax value for each BTU equivalent barrel; and

18 (F) 25 percent of the monthly production tax value for each
19 BTU equivalent barrel that is greater than \$92.50;

20 (7) if the producer's average monthly production tax value of a BTU
21 equivalent barrel of the taxable oil and gas for the month is more than \$105 but not
22 more than \$117.50, the tax rates are

23 (A) 2.5 percent on the first \$12.50 of monthly production tax
24 value for each BTU equivalent barrel that is greater than \$30;

25 (B) 7.5 percent of the next higher \$12.50 of monthly
26 production tax value for each BTU equivalent barrel;

27 (C) 12.5 percent of the next higher \$12.50 of monthly
28 production tax value for each BTU equivalent barrel;

29 (D) 17.5 percent of the next higher \$12.50 of monthly
30 production tax value for each BTU equivalent barrel;

31 (E) 22.5 percent of the next higher \$12.50 of monthly

1 production tax value for each BTU equivalent barrel;

2 (F) 25 percent of the next higher \$12.50 of monthly production
3 tax value for each BTU equivalent barrel; and

4 (G) 30 percent of the monthly production tax value for each
5 BTU equivalent barrel that is greater than \$105;

6 (8) if the producer's average monthly production tax value of a BTU
7 equivalent barrel of the taxable oil and gas for the month is more than \$117.50, the tax
8 rates are

9 (A) 2.5 percent on the first \$12.50 of monthly production tax
10 value for each BTU equivalent barrel that is greater than \$30;

11 (B) 7.5 percent of the next higher \$12.50 of monthly
12 production tax value for each BTU equivalent barrel;

13 (C) 12.5 percent of the next higher \$12.50 of monthly
14 production tax value for each BTU equivalent barrel;

15 (D) 17.5 percent of the next higher \$12.50 of monthly
16 production tax value for each BTU equivalent barrel;

17 (E) 22.5 percent of the next higher \$12.50 of monthly
18 production tax value for each BTU equivalent barrel;

19 (F) 25 percent of the next higher \$12.50 of monthly production
20 tax value for each BTU equivalent barrel;

21 (G) 30 percent of the next higher \$12.50 of monthly production
22 tax value for each BTU equivalent barrel; and

23 (H) 35 percent of the monthly production tax value for each
24 BTU equivalent barrel that is greater than \$117.50.

25 * **Sec. 2.** The uncoded law of the State of Alaska is amended by adding a new section to
26 read:

27 APPLICABILITY. Section 1 of this Act applies to oil and gas produced after
28 December 31, 2012.

29 * **Sec. 3.** The uncoded law of the State of Alaska is amended by adding a new section to
30 read:

31 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations

1 to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure
2 Act), but not before the effective date of the provision of this Act implemented by the
3 regulation.

4 * **Sec. 4.** Section 1 of this Act takes effect January 1, 2013.

5 * **Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect immediately under
6 AS 01.10.070(c)."